

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6729

BILL NUMBER: SB 222

DATE PREPARED: Apr 12, 2001

BILL AMENDED: Apr 11, 2001

SUBJECT: Office of Quality Assurance.

FISCAL ANALYST: Kathy Norris

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Long Term Care Division of the State Department of Health to establish processes and procedures to receive complaints about health facility inspectors or inspection teams. The bill requires a health facility inspector who conducts a licensure inspection of a health facility to meet certain criteria and perform certain tasks. It also requires the State Department of Health to provide reports to the Select Joint Committee on Medicaid Oversight concerning inspections of health facilities. The bill makes certain other changes.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) *Licensure Inspections:* This bill establishes certain training and inspection standards related to the nursing home inspectors employed by the State Department of Health (SDOH). Under this proposal, new inspectors would be required to receive at least six hours of Alzheimer's disease and dementia specific training. The bill also requires that the SDOH provide joint training sessions at least every six months with health facility licensure inspectors and the health facilities. While the SDOH may experience additional costs associated with some of the training provisions, the Department reports that inspectors already receive a higher level of survey training than the bill requires.

The bill would require that the Department have expert clinical consultants available should a health facility request a review by an expert. The bill also requires the Department to develop and implement a process to review and respond to complaints to meet certain criteria. The Department is also to develop a quarterly report containing specified information for the Select Joint Committee on Medicaid Oversight. It is estimated that these activities could be implemented with an additional four positions and \$282,000 in State General Funds.

This bill does not contain an appropriation. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being

used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of January 29, 2001, the SDOH has 97 vacancies. The Department reverted \$993,931 at the end of FY2000. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background Information: There are approximately 600 state licensed nursing facilities in Indiana of which approximately 580 are certified by the federal government to provide services to Medicare and Medicaid beneficiaries.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected:

Information Sources: State Department of Health.